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HOUSING POLICY : OPTIONS FOR THE FUTURE

New research on five aspects of housing policy

plus a two day housing conference

A proposal for funding from:

Metro Toronto

The Social Planning Council of Metro Toronto

The Ontario Association of Legal Clinics

August, 1985

SUMMARY

A number of groups directly involved with low income consumers of housing are seeking to formulate a coherent housing strategy as input to the current policy deliberations of the three levels of Government. Led by the Social Planning Council of Metro Toronto and the Ontario Association of Legal Clinics we have identified the need for study in five critical areas. We propose to commission academic and expert research in these areas and present the findings to a two day conference we will host. The resulting strategy will be presented to our members and the three levels of Government.

$1,250.00 was raised by the groups involved with the Housing Conference and was used to hire someone to assist in initial planning and proposal preparation. Total cost of the research and conference will be $56,200 of which we have raised $2,500, with further expected income of $2,500.00. We are asking the Ontario Ministry of Housing for the balance of $51,200.00.

INTRODUCTION

Changes to housing policy, to some degree being considered at present by all three levels of Government, are of great interest to those of us who are, or work with, low income consumers of housing.

To provide Government with the low income consumer point of view, the Social Planning Council of Metro Toronto, the Ontario Association of Legal Clinics and other concerned groups have come together to sponsor new research on five areas critical to the current housing policy debate. In addition we plan to meet in a two day conference to clarify what directions low income consumers feel housing policy should take to the end of this century.

The Social Planning Council of Metro Toronto and The Ontario Association of Legal Clinics are well qualified to co-sponsor this research and Conference. The SPC, long active with housing issues, last year published five policy papers on rent review, affordability, shelter allowances, Government role in housing, and the link between housing and the delivery of Social Services. The Ontario Association of Legal Clinics' (OALC) forty seven member clinics across Ontario, last year

devoted 25% of their casework to low income housing related cases. The OALC itself provides training and information sharing for its members, including the OALC Newsletter, the Journal of Law and Social Policy, and several training and policy conferences each year. Both the SPC and clinics have submitted briefs to the first phase of the Thom Inquiry.

THE NEED

Ensuring that low income households in Ontario have access to affordable and appropriate housing will require new thinking, new policies and new programs. This proposal is concerned with stimulating such new thinking from the consumer's point of view and it could not be more timely.

At present all three levels of Government are re-examining their housing policies with careful attention to cost effectiveness and targetting of programs. The new Ontario Government is preparing to take significant initiatives in the area of social housing. The Federal Government is negotiating with the provinces to transfer administration of social housing programs. At the municipal level cities such as Toronto are re-writing their housing policies in an effort to bring more units on stream. For Ontario these changes mean an opportunity to significantly reshape our housing future.

We see the need to inform Government policy makers of the consumer point of view on housing. Our objective is to formulate a coherent housing strategy based on new research and a meeting of a wide variety of housing groups.

The five areas of critical importance to be studied are:

1. Private sector rental supply programs in Ontario;
2. Non-profit rental supply programs in Ontario;
3. Retention of the existing stock of affordable housing;
4. Rent review
5. Property maintenance and management in private, public, and non-profit housing projects.

For each area we need research that takes into account the consumer's special point of view. Consumers have the following basic concerns:

1. Affordability;
2. Quality;
3. Stability (security of tenure);
4. Availability (supply).

We have identified a lack of research from their perspective in the five areas listed above.

Apart from the need for new research, there is a need for positive policy options. Our aim, both in the research and at the conference, is not simply to gripe about what has been done in the past: our aim is to examine options for the future.

In this respect, our research and conference are particularly needed and particularly timely.

Our proposal is also unique in that we will, through the five research topics identified and the even broader discussions at the conference, be examining housing in an over-all context. Rather than looking at some aspect of housing policy in isolation, e.g. rent review, our conference will pull together forward looking research on all the major aspects of housing policy and our aim is to create a comprehensive, coherent housing strategy.

Finally, it is necessary to bring together those active in housing to discuss the options for the future as they affect each area. Participants will include: tenants associations, legal clinics, co-operative housing groups, tenants, social welfare organizations, labour and church groups, researchers and policy analysts, government policy makers, and private builders.

RESEARCH AND CONFERENCE OBJECTIVES

At the conclusion of this housing conference we hope to have achieved the following:

1. Generation of new research on five areas of housing policy and stimulation of new thinking and innovative solutions to an acknowledged problem.

2. Presentation of the consumer's point of view on housing, focussing on affordability, quality, stability and availability and housing as a social right.

3. Formulation of a comprehensive, coherent housing strategy for government consideration.

4. Stimulation of media and public interest in housing issues.

5. Networking of those involved in housing from a variety of perspectives.

6. Publication of new written material on housing issues.

7. Act as a springboard for specific program development by the government and other interested bodies.

METHODS

TENTATIVE TIME FRAME

1985	April	Concerned groups met - planning committees formed
	July	Pre-conference organizer hired for three weeks
	September	Funding sought
	October	Research commissioned from five academics/experts
1986	January 1	Conference organizer hired
	February 15	Research completed and distributed
	March 15	Two day conference held in Toronto
	March 30	Research and conference results compiled

In August our conference planning committee drew up a short list of recognized academics and housing experts who will be approached to write a paper of 30 - 40 pages in the five areas identified as critical to the formulation of a coherent housing policy:

PAPERS TO BE COMMISSIONED

1. PRIVATE SECTOR RENTAL SUPPLY PROGRAMS IN ONTARIO: AN EXAMINATION OF RECENT TRENDS AND OPTIONS FOR THE FUTURE

A review of the various housing programs of both the federal and provincial governments aimed at assisting the private sector to increase the supply of affordable rental housing, with an emphasis on program initiatives since 1973, and consideration of viable options for the future.

This study should focus particular attention on these aspects:

- o the opportunities for subsidy stacking under the ARP and ORCL programs, including the use of the tax expenditure provisions available under MURB's

- o a comparison of the subsidy levels per market and assisted rental unit on a random cross-section of private sector and non-profit projects built since 1973

- o the default experience of units built under ARP and as MURB's as contrasted with that of non-profit projects

- An appraisal of the success of private sector supply programs in contributing to the stock of affordable rental housing

Based on the foregoing analysis, an assessment of the strengths and weaknesses of private supply programs as a future program option in meeting the need for affordable rental housing in the long-term.

The generation of policy and program options for government as part of a viable strategy for using the private sector to assist in meeting the housing needs of low and moderate income renters

The emphasis in this study will be on the options for the future. Past programs will be reviewed for the purpose of evaluating the viability of future options.

2. NON-PROFIT RENTAL SUPPLY PROGRAMS IN ONTARIO: AN EXAMINATION OF RECENT TRENDS AND OPTIONS FOR THE FUTURE

A review of the various mixed-income non-profit housing programs as they have existed since the 1973 amendments to the NHA, including the municipal non-profit, private non-profit and co-operative housing programs, and consideration of viable options for the future.

This study should focus particular attention on these aspects:

- a review of various program changes since 1973 and their implications for project financing, targetting and income mix, affordability of market rents, costs to government

- an appraisal of the success of non-profit housing programs in contributing to the stock of affordable rental housing

Based on the foregoing analysis, an assessment of the strengths and weaknesses of non-profit housing programs as a future program option in meeting the need for affordable rental housing in the long-term.

The generation of policy and program options for government as part of a viable strategy for using the non-profit sector to assist in meeting the housing needs of low and moterate income renters.

The emphasis in this study will be on the options for the future. Past programs will be reviewed for the purpose of evaluating the viability of future options.

3. RETENTION OF THE EXISTING STOCK OF AFFORDABLE HOUSING: OVERVIEW OF OPTIONS

An examination of recent trends in household formations and changes in income among renting households, coupled with the present cost of developing new rental supply requires a redirection of government attention toward programs which seek to retain the existing stock of affordable rental housing.

This research paper is intended to furnish an overview of the policy and program options available to government and to suggest specific targets and means of implementation for effecting policy in the following areas:

- o enabling legislation to permit municipalities to control the demolition of affordable rental units
- o ways of providing incentives for rehabilitation and property maintenance either to landlords, or in conjuction with a non-profit rehabilitation program
- o alternative program parameters and funding instruments for a non-profit direct acquisition program, including methods of protecting the rights of in-situ tenants.

The paper should conclude with a discussion of the role of a program designed to retain the existing stock as part of a larger strategy to meet the housing needs of low and moderate income renters. The emphasis in this paper will be on viable options for the future.

4. RENT REVIEW AND THE RATE OF RETURN ON INVESTMENT IN PRIVATE RENTAL BUILDINGS

An examination of the premises that rent review causes an unwarranted infringement on investment returns, and provides insufficient returns to justify proper maintenance of the properties.

A selection of two or three dozen apartment buildings covered by rent review would be evaluated in terms of age, physical condition, average annual maintenance expenditures, mortgage financing and other cost considerations.

Each building will be assessed in terms of its internal rate of return on equity, on capital, as well as its cash-on-cash yield and appreciation in capital value. Differences between buildings will be evaluated based on age and condition, the number of refinancings, changes in ownership, etc. in order to draw conclusions regarding the impact of rent review on investment in rental property.

The paper will conclude with a discussion of rent review as part of a larger strategy to meet the housing needs of low and moderate income renters. Should rent review have a permanent place in the over-all program? Should it be phased out? What changes would be appropriate? These are questions to be considered.

5. PROPERTY MAINTENANCE AND MANAGEMENT: A REVIEW OR THE DIFFERENCES IN PRIVATE, PUBLIC AND NON-PROFIT HOUSING

A survey of private, public, and non-profit housing projects to determine differences in property maintenance and management and reasons for those differences, and a discussion of future options to maintain good quality accommodation for all renters.

The paper will look at property maintenance, expenditures on repairs, quality of maintenance and repairs, quality of life under different management styles, and the effects of tenant participation (through tenants associations, co-op housing boards etc.) on all of the above.

The paper should determine whether a relationship exists between the role of tenants in the management and operation of housing projects, and the cost and quality of maintenance and repairs associated with them.

TWO DAY CONFERENCE

Research findings will be presented at our conference in March. The research papers will be presented on the first day, in a series of research forums.

On day two, workshops will be held focussing on the same areas as the research papers. In each area, two topics will be identified, for a total of ten workshops.

Using the research papers and the accumulated knowledge and experience of those present as a starting point, there will be panel discussions followed by general debate in each workshop. The workshops will focus on the policy options for the future, debating which options are most viable and how they fit into an over-all housing policy.

The conference will conclude with a plenary discussion followed by a summation of the policy principles adopted.

PROPOSED AGENDA

Day One	
1:30 - 2:00	Registration
2:00 - 2:30	Opening of Conference: Media Presentation (low income tenants will speak directly on their experiences)
2:30 - 3:45	Research Forums (two)
3:45 - 4:00	Coffee Break
4:00 - 5:15	Research Forums (two)
7:00 - 7:30	Informal Gathering
7:30	Dinner: Keynote Speaker (Topic - Long term solutions to creating stable, affordable housing: The roles of government, the private sector, and the non-profit sector)
	Reception After Dinner
Day Two	
10:00 - 12:00	Workshops (ten: participants to choose one)
12:00 - 1:30	Lunch: Keynote Speaker (An expert from another jurisdiction)
2:00 - 3:30	Plenary Discussion
3:30 - 4:00	Wrap-up and Recommendations Coming From Conference

PROPOSED BUDGET

Budget Items	Expenses	Expense Totals	Income	Income Totals
Salaries				
Five Academic Papers ($5,000 each)	25,000			
Two Keynote Speakers ($2,000 each)	4,000			
Conference Co-ordinator (2 months: 7 wks. prior & 1 wk. post conference to compile materials)	4,000			
		33,000		
Travel & Accommodation				
Estimated Expenses for Speakers	3,000			
Travel Subsidy for Low Income Participants	2,000			
		5,000		
Facilities				
Meeting Rooms for 200 people (1½ days)	3,500			
Lunch/Dinner: 2 meals @ $12/person	4,800			
Coffee: $1.50/person	400			
		8,700		
Office Space				
Office Rental (donated by Parkdale Community Legal Services: value $500)	500		500	
Telephone	600			
Supplies/copying	400			
		1,500		500
Printing & Promotion				
Advertising (mailing/ brochure)	1,000			
Conference Materials	2,500			
Conference Report	3,500			
		7,000		

cont'd.....

PROPOSED BUDGET: cont'd

Budget Items	Expenses	Expense Totals	Income	Income Totals
Other				
General Planning Costs	500			
Other/Contingency	500			
		1,000		
Other Income				
Foundation Donation			2,000	
Registration (based on 40 registrants paying $50 ea., 20 registrants paying $25 ea., and the rest attending free.)			2,500	
				4,500
TOTALS		56,200		5,000

SUMMARY

Budget	$56,200.00
Income	5,000.00
Balance Needed	$51,200.00

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